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DE RUEHPF #0016/01 0050639
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FM AMEMBASSY PHNOM PENH
TO RUEHC/SECSTATE WASHDC PRIORITY 7781
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 02 PHNOM PENH 000016

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E.O. 12958: N/A
TAGS: [PGOV](#) [PHUM](#) [CB](#)
SUBJECT: SCENESETTER FOR PDAS KATHLEEN STEPHENS JANUARY
20-24 VISIT TO CAMBODIA

1. (SBU) SUMMARY AND INTRODUCTION. U.S. strategic interests are at play in Cambodia, although they relate as much to Cambodia's neighbors as to Cambodia. As has long been the case, Cambodia remains something of a "sideshow" in which world and regional powers (China, Vietnam, Thailand and the U.S.) vie for influence or, at the very least, compete to preempt others from gaining too strong a hold on Cambodia. The Cambodians, for their part, have long tried to play off these competing powers against one another in order to advance their own interests. In these equations, the role of China is pivotal, as it expands its influence in the region. In Cambodia, the Chinese have been particularly successful given USG reticence in the past to engage more energetically with the Cambodian government. Nonetheless, Cambodia sees the U.S. as crucial in serving as a counterweight to the growing Chinese presence and many Cambodians view the U.S. as an alternative model for economic and political development to the more authoritarian regimes in the region. Polls show that the average Cambodian holds the U.S. in high regard; our public affairs focus includes outreach to the Muslim minority, cultural programming, and active visitors programs.

2. (SBU) The USG and the Cambodian government (RGC) cooperate closely on a wide range of issues: counter-terrorism and intel-sharing, MIA recovery, Amcit pedophile cases, health (HIV/AIDS and avian influenza) and education. Mil-to-mil ties are expanding with the first U.S. Navy ship visit in over 30 years planned for February and IMET and FMF programs restarting. The U.S. is crucial to Cambodia's economy, representing the largest market for its garment sector, which accounts for 70% of the country's exports. PM Hun Sen strongly desires a more productive relationship with the USG, but he and the ruling CPP have yet to commit to enduring democratic reforms. Your meeting with the Prime Minister will underscore our desire for stronger ties and provide an opportunity to impress on the PM the need for reform as a prerequisite for deepening the bilateral relationship and attracting foreign investors. END SUMMARY AND INTRODUCTION.

Cambodia Matures as an International Actor

3. (SBU) Since reestablishing diplomatic relations in 1992 following the signing of the Paris Peace Accords, the U.S. and Cambodia have incrementally but steadily strengthened their ties, albeit with occasional setbacks as a result of Cambodian human rights transgressions. The momentum of this deepening relationship has increased in recent years and Cambodia has begun taking a more responsible position in international affairs. The RGC has sent peacekeepers to Sudan (a company of de-miners), supported Guatemala's bid for the UNSC seat and taken a more publicly critical stance on Burma. While Cambodia has been forthcoming diplomatically,

we continue to urge the RGC to quicken and strengthen movement toward reform. We have focused especially on passage of an anti-corruption law that meets international standards.

Keeping Political Space Open, Human Rights Are Priorities

14. (SBU) The level of political violence in Cambodia has fallen since the early 1990s, but there remain serious concerns regarding human rights and democratization. Like other countries in the region, Cambodia's leaders have used its weak and easily influenced judiciary to pursue legal cases against critics and the political opposition. While criminal defamation is no longer a viable weapon for silencing dissent, other legal provisions concerning disinformation and incitement remain on the books and have been used in the past year against journalists and others the government has wished to silence. The PM has had a very public falling out with the UNSYG's Special Rapporteur for Human Rights for Cambodia, Kenyan constitutional lawyer Yash Ghai, due to what the PM considers as unduly harsh criticism of the human rights situation in Cambodia. The PM also suggested that the UN close its local human rights office. Former Phnom Penh police chief Heng Pov fled Cambodia before he could be arrested on murder charges and gave lengthy press interviews abroad detailing the alleged corruption and extrajudicial killings committed by senior government officials. Heng Pov's murder conviction in absentia and repatriation to Cambodia -- despite a standing visa offer from Finland -- has now led many observers to raise questions about due process and his safety in prison. The government regularly refuses to provide permits for civil society NGOs and other groups to hold public gatherings that might raise issues highlighting government shortcomings.

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15. (SBU) International observers will closely monitor the local commune council elections scheduled for April 2007 and the national elections in the summer 2008. Cambodia's previous three national elections have shown improvement during each five-year cycle, with diminishing levels of political violence, but intimidation and vote-buying continue to be problematic. Prince Rannariddh's ouster from the FUNCINPEC party, his creation of a new party, and the "new FUNCINPEC's" increasingly close cooperation with the CPP make the April elections more unpredictable.

Corruption Remains Endemic

16. (SBU) In 2006, Transparency International ranked Cambodia 151 out of 163 countries in its corruption perceptions index; Burma was the only country in Asia ranked lower than Cambodia. There has been continued and widespread land grabbing by government officials and the politically well-connected. Uprooted communities from outside Phnom Penh trying to seek government redress are often prevented from traveling to the city to draw media and public attention to their plights. Enactment of an anti-corruption law has dragged on for years, with the government showing little inclination to adopt legislation that would lead to strong enforcement. This failure, along with a corrupt and politicized judiciary, has prevented Cambodia from attracting foreign direct investment. Cambodia's competitiveness ranking (103 out of 125 in 2006) is also one of the lowest in the world, again due largely to perceived systemic corruption. Rather than embrace the reforms that would garner increased investment and the new jobs that would be created, the RGC appears to be banking on the future income from its as-yet-untapped oil and gas reserves, which should come on stream after 2009. Donors are concerned that the current corrupt political environment will lead to misuse of future revenues that are badly needed to reduce poverty in the country.

Khmer Rouge Tribunal Stumbles Forward

¶17. (SBU) The Khmer Rouge Tribunal, also known as the Extraordinary Chambers in the Courts of Cambodia (ECCC), has obtained funding from UN member nations, established offices in Phnom Penh and selected international and Cambodian staff, including judges, prosecutors and investigating staff. However, its Cambodian and international staff have had difficulty in agreeing on terms of reference. Squabbling among international and Cambodian judges, combined with interference from the Cambodian Bar Association, threatens to undermine the initial momentum. Meanwhile, the potential defendants continue to age, with one, Ta Mok, havin died in the past year.

Aid: Health, Education and Good Governance

¶18. (U) The USG's assistance programs are targeted at helping the Cambodian people through a focus on good health (especially HIV/AIDS and other infectious diseases), good education and improved political and economic governance. The overall USG assistance budget for FY07 is \$53 million, of which approximately \$46 million is managed by USAID.

Post and the New Embassy Compound

¶19. (U) The new Embassy chancery was formally opened January 17, 2006 with the annex housing USAID completed approximately six months later. The Embassy currently employs 72 direct-hire Americans, 460 locally employed staff, and 17 eligible family members. There are another approximately 50 family members at post. Six agencies are represented: Department of State, Department of Defense (Defense Attache, Office of Defense Cooperation, and a naval medical unit), US Agency for International Development, the Centers for Disease Control, a new Peace Corps presence, and a soon-to-be-hired local veterinarian representing the Department of Agriculture. The FBI has received NSDD38 approval to establish a LEGATT, but has internal funding constraints.

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